TAXPAYER REFUND ACT/Medicare Reform within the Budget

SUBJECT: Taxpayer Refund Act of 1999 . . . S. 1429. Frist motion to waive the Budget Act for the consideration of the Frist amendment No. 1467.

ACTION: MOTION REJECTED, 54-46

SYNOPSIS: As reported, S. 1429, the Taxpayer Refund Act of 1999, will give back to the American people \$792 billion of the \$3.3 trillion in surplus taxes that the Congressional Budget Office (CBO) has projected that the Federal Government will collect over the next 10 years. The projection is based on assumptions of 2.4-percent average annual growth in the economy, no growth in discretionary spending after 2002, and entitlement spending growth as required under current law. Approximately \$1.9 trillion of the surpluses will be Social Security surpluses (Republicans have been attempting to defeat a Democratic filibuster of a proposal to protect those surpluses from being spent; see vote Nos. 90, 96, 166, 170, 193, and 211). After protecting the Social Security surpluses and providing tax relief of \$792 billion, \$505 billion will remain for additional spending or debt reduction. The average growth rate over the past 50 years has been 3.4 percent. The current growth rate is around 4 percent. If the 3.4-percent average rate is maintained for the next 10 years, then (using the CBO rule-of-thumb chart from Appendix C of the January 1999 Economic and Budget Outlook) the surplus will be roughly \$4.9 trillion, not \$3.3 trillion. Key tax relief provisions include that the bottom tax rate will be lowered to 14 percent and expanded (providing \$297.5 billion in tax relief over 10 years) and the tax burden on families will be cut (providing \$221.7 billion in tax relief). Tax relief will also be given to encourage saving for retirement, to make education and health care more affordable, to lower death taxes, and to lower taxes on small businesses.

The Frist amendment would express the sense of the Senate that the unallocated on-budget surpluses over the next 10 years provide adequate resources for Medicare reforms, that the Congressional budget resolution for fiscal year 2000 provides a sound framework for allocating resources to Medicare to modernize Medicare benefits, improve the solvency of the program, and improve coverage of prescription drugs, and that Congress should act to accomplish these goals for the Medicare Program. The amendment would also make the following findings: the congressional budget plan has \$505 billion over 10 years in unallocated non-Social

(See other side)

YEAS (54)			NAYS (46)			NOT VOTING (0)	
Republicans Democrats (54 or 98%) (0 or 0%)		Republicans	Der	Democrats		Democrats (0)	
		(1 or 2%)	(45 or 100%)		(0)		
Abraham Allard Ashcroft Bennett Bond Brownback Bunning Burns Campbell Chafee Cochran Collins Coverdell Craig Crapo DeWine Domenici Enzi Fitzgerald Frist Gorton Gramm Grams Grassley Gregg Hagel Hatch	Helms Hutchinson Hutchison Inhofe Jeffords Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob (I) Smith, Gordon Snowe Specter Stevens Thomas Thompson Thurmond Warner		Voinovich	Akaka Baucus Bayh Biden Bingaman Boxer Breaux Bryan Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Edwards Feingold Feinstein Graham Harkin Hollings Inouye Johnson	Kennedy Kerrey Kerry Kohl Landrieu Lautenberg Leahy Levin Lieberman Lincoln Mikulski Moynihan Murray Reed Reid Robb Rockefeller Sarbanes Schumer Torricelli Wellstone Wyden	EXPLANAT 1—Official F 2—Necessari 3—Illness 4—Other SYMBOLS: AY—Annour AN—Annour PY—Paired I	ly Absent nced Yea nced Nay Yea